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REAUTHORIZATION OF SENIOR NUTRITION PROGRAMS UNDER TITLE III OF THE OLDER AMERICANS ACT

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HEARING

BEFORE THE

SUBCOMMITTEE ON AGING

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

ON

EXAMINING PROPOSED LEGISLATION AUTHORIZING FUNDS FOR THE OLDER AMERICANS ACT, FOCUSING ON SENIOR NUTRITION PROGRAMS UNDER TITLE III

MARCH 21, 1995

Printed for the use of the Committee on Labor and Human Resources

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REAUTHORIZATION OF SENIOR NUTRITION PROGRAMS UNDER TITLE III OF THE OLDER AMERICANS ACT

TUESDAY, MARCH 21, 1995

U.S. SENATE,
SUBCOMMITTEE ON AGING, OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:58 a.m., in room SD–430, Dirksen Senate Office Building, Senator Gregg (chairman of the subcommittee) presiding.

Present: Senators Gregg, Mikulski, Simon, and Wellstone.

OPENING STATEMENT OF SENATOR GREGG

Senator GREGG. We might as well get started. It is a little early, but I will just make my statement, and we will start with the witnesses on time.

I want to thank all the witnesses for taking the time to come to this hearing, which is a hearing where we hope to get some ideas, and I know we will get some ideas, on how we should go about the reauthorization of the Older Americans Act, and specifically the nutrition aspects of the Older Americans Act, which in my experience in Government, is one of the programs in this country that has delivered an excellent service to a lot of people; but it can always be improved, anything can, and we are interested in ideas for ways that we might be able to improve it.

Having travelled around to many nutrition centers in my State over the years, I am always impressed by the enthusiasm and energy of the volunteers and the staff who manage these programs, and the genuine positive impact that it has on the lives of a lot of seniors who participate in these programs—and not only the home service programs, but especially the congregate meals programs, where I think there is an atmosphere of camaraderie that develops and gives seniors a chance to get out and talk with their fellow citizens and have an enjoyable place to meet and, most importantly, of course, get a good meal.

So it is a very important initiative which I am a strong supporter of. There are many good programs that we have today that deliver services to our seniors, and this is one of them. There are, however, ways that I am sure we can improve these programs, and what we are interested in is ideas that will help us to improve them.

We have a good group of people joining us today to talk about the ways that they deliver these programs. What I tried to do in

setting the hearing up was to get people who are on the front lines, so to say, people who have been out there delivering the services and who have a first-hand knowledge of what the problems are. Rather than hearing from professional witnesses, we wanted to hear from people who were actually on the firing line.

[The prepared statement of Senator Gregg follows:]

PREPARED STATEMENT OF SENATOR GREGG

During the 104th Congress, the Senate Labor and Human Resources Subcommittee on Aging will conduct oversight hearings as part of the Older Americans Act reauthorization process; the first of these hearings is on the home-delivered and congregate senior nutrition programs. The subcommittee will take this opportunity to review the current performance and funding policies of these important programs which allow senior citizens the opportunity to be independent, productive, and healthier.

Americans are looking for ways to direct their own futures. Senior nutrition programs help maintain the dignity of the "nutritionally at-risk" who may need services for reasons other than economic status, while allowing them to contribute. We must examine what types of cost-sharing arrangements are working, and how they should be implemented in the future.

We also need to encourage public/private partnerships. Commissioner Stupp of New York City will testify about "Citymeals," an independent organization which supports public efforts by raising more than $4 million annually. Another example is the 3-year-old National Association of Meals Programs/Reynolds Corporation (NAMP) joint venture to supplant funding for wintertime meals. Local programs write in on a project they would conduct if they had additional dollars; NAMP makes grants from the $150,000 contribution Reynolds provides. Additionally, NAMP is starting campaign called "Project Meal"; beginning in April, this project will work to raise awareness by sponsoring a national day each February during which no senior in the United States would go hungry.

Such efforts are going to be critical to successfully taking these programs into the 21st Century. In this time of fiscal constraint, as we are working to bring the spending habits of this government in-line with the resources that are available, every program is going to require careful consideration. That is what we will focus on today: hearing directly from the people who run these programs every day, who know first hand what is working and what is not, and who understand the demands of elderly nutrition.

We begin today with Mr. Herbert Stupp, who is commissioner of the New York City Department for the Aging, which is the largest area agency on aging in the United States. It is a federally mandated plan that coordinates and funds services for New York City's 1.3 million older people, and I would note here that Mr. Stupp's program serves more people than we have in the State of New Hampshire. The Department for the Aging under Mr. Stupp uses $157 million in funds for programs to help the homebound and the active native immigrant elderly in New York City.

In addition, joining Mr. Stupp on the first panel will be Toby Felcher, who is a special assistant to the executive director at the

Baltimore City on Commission on Aging and Retirement Education. Ms. Felcher has a long history of support for the elderly. For over 20 years, she has been involved in programs dealing with the elderly and has been associated with elderly nutrition programs, director of Baltimore City Eating Together, past president of the National Association of Nutrition and Aging Services program. She is presently president of the board of directors of the national Meals-on-Wheels program, which I think is an exceptionally successful program, and an adjunct professor at the College of Notre Dame of Maryland Graduate School's Adulthood and Aging Program, where she teaches a course on older women's issues.

We appreciate you taking the time to come today, and Ms. Felcher, why don't we begin with you?

STATEMENTS OF TOBY FELCHER, SPECIAL ASSISTANT TO THE EXECUTIVE DIRECTOR, CARE, BALTIMORE, MD; AND HERBERT W. STUPP, COMMISSIONER, NEW YORK CITY DEPARTMENT FOR THE AGING, NEW YORK, NY

Ms. FELCHER. Good morning, Senator Gregg. I appreciate the opportunity to speak with you and the committee members.

NANASP and the National Meals-on-Wheels Foundation thank you for the opportunity to articulate what we believe to be the State of the elderly nutrition program and the nutrition issues that should be addressed in the next reauthorization of The Older Americans Act.

As stated, my name is Toby Felcher, and I have been associated with the nutrition program for more than 20 years. You have just given my introduction, so I will not repeat it again, for the sake of brevity.

This year the elderly nutrition program, according to the Administration on Aging, is almost a $1 billion program, leveraged from only $430 million of Administration on Aging administered Older American Act funds.

Nationally, more than 20 percent of operating funds come from elderly contributions, and as we go through these discussions this morning, I think that that is very important to consider and think about—20 percent of our funding comes from the seniors themselves, which says to me that they are very interested in the program and want to pay their own way. The balance of the money comes from the United States Department of Agriculture Cash and Commodity Program, with additional State and local contributions.

Senior nutrition programs are successful examples of low-cost, locally-managed programs that operate with large numbers of volunteers and with public-private partnerships. More than 225 million meals were served through the network at over 2,200 Title III-C elderly nutrition projects. Forty-five percent of those meals were provided to the homes of the elderly.

Presently, there are about 15,000 meal sites in operation every day, and as Assistant Secretary Fernando Torres-Gil points out, there are approximately two nutrition sites in a community providing hot, nutritious meals, as well as other supportive services to the elderly, for every McDonald's restaurant in the same community.

Having outlined the numbers of the program, of which all of us who are involved on a day-to-day basis are extremely proud, especially after a day in the field, interacting with the recipients of the meals, there is another side of the program that I would like to address.

In an effort to keep up with an ever-growing elderly population and static funding, the following has occurred. In order to keep meals at a level that serves as many participants as possible, staff salaries at the provider level have been suppressed significantly. Good people have left. Strong professionals are not being attracted into direct service at the community level. In order to compete for service contracts, established providers have been forced to hire less qualified people, reduce their salaries and benefits, reduce training available—and that is a very important and significant fact, the reduction in training that is available—and yet expect them to provide more services to a more frail and at-risk population.

I would like to right here at this juncture say that when I started with the program more than 20 years ago, the average age of a participant in Baltimore's nutrition program for the elderly was about 62 years of age. As we speak today, the average age is nearly 80. And when you go for 20 years, walking in and out of sites, seeing people, and then stop for a couple of months or a couple of years and go back, it is shocking to see how frail the participants in Baltimore have become, and I know it is the same way across the country.

In other words, local projects have done everything in their power to keep up with an ever-expanding demand for services. An emphasis on competitive contracts and decisions based predominantly on cost in many cases result in a reduction of quality, level of service and responsiveness to ethnic preferences, medical needs, etc. Contracts, the type of contracts and the criteria for award at the local level needs review and Federal direction.

The emphasis for all contract awards needs to be focused on the quality of care that can be provided to the seniors themselves. It is difficult for local agencies to be innovative and move forward with strategic plans when many of them are forced to operate on annual contracts. In other words, the bidding process, if it is every year, begins almost as soon as it is over. Once the contract has been awarded, you have to start thinking about rewriting the contract again.

Any revamping of The Older Americans Act needs to be done starting at the customer level and working through the rest of the bureaucracy. The Older Americans Act started with a strong service orientation and needs to be returned to that focus.

If there is to be any block-granting, it should support empowerment of local community providers, with an emphasis on the best quality providers and nutrition service. There should be an investment in field innovation, research and demonstration, with encouragement incentives for upgrading direct services. Multiple-year contracting should be at the center of this directive.

During a time when there is pressure to downsize the Government and reduce the deficit, support needs to be given to broadening, not lessening, the positive health impact of providing nutri-

tional services and realizing the cost savings associated with this investment. Poor nutrition affects the health care system directly.

It is well-documented, most recently in a study by Nutritional Care Management Institute in Chicago and presented several weeks ago at the National Eldercare Institute on Nutrition Research Conference, that up to 60 percent of all hospital admissions of seniors show signs of malnourishment. These patients have longer stays in the hospital—up to 40 to 100 percent longer—slower healing, more complications, increased readmission rates, and higher death rates. When compared to well-nourished patients, malnourished patients cost $2,000 to $10,000 more to care for.

Many of the same malnourished patients are released from the hospital before malnutrition or poor nutritional status has been treated. Older persons are often discharged quicker and sicker into the community, due to many pressures, including the need for cost containment.

Assistant Secretary Torres-Gil in a recent speech stated, "The number of people admitted from their homes in poor nutritional State confirms that for some elders, malnutrition begins and progresses during their last years living in the community."

The elderly nutrition program would like to State clearly that providing meals and other nutritional support is a low cost, high reward proposition for the Federal Government. There is already a unique infrastructure in place with 2,200 nutrition programs and almost 15,000 sites. Community support is high, with donated space, volunteers, charitable gifts, donated transportation and not least, clients sharing costs.

It is really important to remember that this program supports not only the senior, but the senior's family as well. There are many instances where families make the direct contribution for the elder's meals, for they understand how important the nourishment and socialization is to their loved ones. If you want further evidence of this community support, just ask your constituents in your districts.

If we are creating "nursing homes without walls" in our emphasis on home and community-based care, we cannot expect to move this concept forward without providing for the clients' full nutritional needs—up to three meals a day, 7 days a week, with therapeutic diets when necessary.

The Older Americans Act is only as strong as its weakest link. In many ares, it has allowed the provider to be diminished and grow weak over the years. We have an opportunity now to strengthen local programs by returning the emphasis back to our communities.

Thank you.

Senator GREGG. Thank you, Ms. Felcher.

We have been joined by Senator Mikulski. Senator, did you have any comments you wanted to start off with? I know Ms. Felcher is a friend of yours.

OPENING STATEMENT OF SENATOR MIKULSKI

Senator MIKULSKI. Thank you very much, Senator Gregg, and I would also like to compliment you on the first official hearing of this subcommittee under your stewardship.

Senator GREGG. I am just following in your leadership.

Senator MIKULSKI. I apologize for being late and just want to say to the other witnesses and to you, Senator, that I am ranking minority on the VA-HUD Subcommittee, and we are grappling with how to pay for the FEMA supplemental. Senator Bond and I are working very assiduously on that, so after this first panel is completed, I am going to have to go and see if I can try to get answers out of the Clinton administration.

Senator GREGG. I wish you good luck.

Senator MIKULSKI. Shall we shake on it? [Laughter.]

I did want to just comment that Ms. Felcher is one of the leading authorities on senior nutrition programs and has spoken nationally, because she really has taken people's day-to-day needs and shown how they affect public policy. So we thank her for her testimony.

I know you want to move ahead, and we will have questions then.

Ms. FELCHER. Thank you, Senator.

Senator GREGG. Thank you, Senator.

Mr. Stupp.

Mr. STUPP. Good morning, Senator Gregg, Senator Mikulski.

I am Herbert W. Stupp, commissioner of the New York City Department for the Aging. I would like to thank you for inviting me to testify here today on the subject of senior nutrition programs under Title III of the Older Americans Act.

The Department for the Aging is the largest area agency on aging in the Nation and represents the diverse needs of New York City's 1.3 million residents age 60 and over. As we celebrate the 30th anniversary of the Older Americans Act and look toward its reauthorization, it is certainly timely to reflect upon the accomplishments of the senior nutrition programs, as well as to talk about some of the ways our department has gone beyond the Act's mandate by establishing a model, we hope, for public-private partnerships that has come to be recognized and duplicated nationwide.

The Older Americans Act was enacted by Congress in 1965 to address the social service needs of America's elderly, with an emphasis on serving those individuals with greatest economic and social need. With the dramatic recent growth of the Nation's senior population, and particularly the oldest old—those 85 and over—the act has certainly served our country well. We hope that it will continue to be a vital source of support into the first quarter of the 21st century, when the size of the Nation's senior population is expected to peak as those in the "baby boom" generation reach their older years.

A centerpiece of the Act has always been its Title III-C senior nutrition programs providing funding for congregate and home-delivered meals, as well as nutrition education and counseling. With Title III-C moneys and additional public and private funding, the Department for the Aging will provide approximately 14 million meals to New York seniors in 1995. Clearly, the act has played a pivotal role in combating the problems of hunger and poor nutrition among the elderly in our city.

Still, the need for nutrition programs exceeds capacity. Based on data for New York City from the National Center for Health Statis-

tics, we estimate that there are 10,000 homebound elderly not receiving home-delivered meals who could benefit form this service. If you consider the number of persons 60 and over with low or marginal incomes—up to 125 percent of the poverty level—there are approximately 25,000 more elderly who could benefit from participating in a congregate meal program.

Plainly, Title III-C is critical to the well-being of America's senior population. And in New York City, it has served as a springboard for expansion of the senior nutrition program, through the creation of a highly successful public-private partnership, Citymeals-on-Wheels.

In 1981, Citymeals-on-Wheels became the agency's first major partnership with the private sector. Citymeals, which receives city funding for administrative support, has been and continues to be very successful. It is now an independent organization, raising more than $4 million annually through corporate support, galas, holiday card sales, and other high-visibility special events projects, and it has enabled us to expand our 5-day-a-week home-delivered meals program by providing funds for holiday, weekend and emergency meals for the homebound.

By utilizing the staff and facilities of the 335 senior centers we have contracted with to provide Title III-C nutrition services, Citymeals-on-Wheels funds enable this program to operate effectively and at very low cost.

The Citymeals-on-Wheels experiment in turn has become a national prototype called Meals-on-Wheels America, established in 1988 with the founding support of Joseph E. Seagram and Sons, Inc., the national sponsor. Meals-on-Wheels America is a technical assistance initiative that helps 45 communities in 34 States to raise private funds to expand their home-delivered meals programs.

Such efforts have been advanced considerably since Mayor Rudolph Giuliani took office 14 months ago. Despite inheriting huge budget gaps, the mayor has maintained the Department for the Aging's budget for the second consecutive year, thus showing his commitment to the city's elderly population. The mayor's commitment to the elderly has allowed us to increase our staff of nutrition counselors and rehabilitate kitchens that provide meals for thousands of various seniors.

During the Giuliani administration, we have also been exploring ways to stretch our buying power for food through cooperative and bulk food purchasing.

Despite the advances we have made thus far, however, I believe that the greatest change is yet to come. As we begin a period of unprecedented growth among the Nation's elderly, we will be presented with an increasingly diverse array of service needs. I am talking about the "aging in" of frailer seniors, who may no longer be able to travel to senior centers for congregate meals, and the simultaneous and growing problem of attracting the "younger elderly"— something Ms. Felcher referred to—the "younger elderly" membership, aged 60 to roughly 68, to congregate meals programs.

With the fastest growth in the older population occurring among the frailest members, those 85 and over, we will need to find new ways to expand our home-delivered meals programs. As focal points

for service within the elderly community, congregate and home-delivered meal programs must remain a national priority. Certainly these programs cost money, yet they are among the most cost-effective services available, allowing many seniors to maintain their independence and also to be connected to a vital community life through their local senior center. Because nutrition programs provide such essential services, we must view them as critical to the well-being of older people.

Congregate and home-delivered meal programs are the foundation for an overall system of support for an America that is aging. Without giving up the tradition of providing socialization and nutrition, they can have a vital role as the keystone of an invigorated and cost-effective continuum of services for seniors.

Nutrition programs serve as natural entry points to a broad continuum of care services, services that could also be successfully linked by the aging network to other programs such as intergenerational projects or newly developing service for grandparents who suddenly find themselves raising their children's children.

The home-delivered meals programs, too, are a logical part of the long-term care continuum—at the other end of the congregate meals program. Home-delivered meals blend especially well with in-home services for the chronically ill and impaired elderly.

By better linking nutrition services to other services in long-term care, we could see the emergence of a new and highly cost-effective continuum of aging services, including: improved opportunities for senior center-based congregate meals, socialization and volunteer activities; identifying nutrition services as the entry point for a host of social supports and services wanted now by the healthy younger elderly; developing nutrition services as a vital component of a comprehensive aging services system that can respond to future needs of the healthy young elderly and their family caregivers as they grow into the not-so-healthy, not-so-young elderly.

To sum up, the senior nutrition programs of the Older Americans Act have served us extremely well over the years. They are the backbone of the full range of services authorized and funded through the act, making it possible for us to take care of the basic nutritional needs of America's most vulnerable elderly.

We in New York City are very proud of Citymeals-on-Wheels, the most ambitious private sector effort for senior meals in the Nation; but I know I speak for the thousands of elderly New Yorkers who rely on Title III-C senior nutrition programs when I say that we all look forward as well to another 30 years of Federal funding under Title III-C of the Older Americans Act.

Thank you for having me.

Senator GREGG. Thank you.

I know you have to leave, Senator Mikulski; do you want to start off the questions?

Senator MIKULSKI. Well, thank you, Senator Gregg. That is very kind of you.

Senator, I have a statement that I would ask unanimous consent that it go into the record, and I would just quickly summarize. As we hold these hearings, I think we need an Older Americans Act for the 21st century. This legislation originally was passed in 1965.

The world has changed, our fiscal situation has changed, and quite frankly, the elderly population and their expectation for services have changed.

Twenty years ago, in 1972, was when they added the nutrition program components to it. Little has changed except the funding, even though the demographics have changed, where we have States with fast-growing elderly populations—I believe you have in New Hampshire, demographically, a population skewed toward the elderly.

Senator GREGG. Yes, we do.

Senator MIKULSKI. So the question is how do we help the elderly, and how do we get our money's worth, and how do we look at what we need to be doing for the next century, not for the next year.

That then takes me to my series of questions, both to Ms. Felcher and Mr. Stupp. There is proposed right now the idea of block-granting all food and nutrition programs into one block grant and leaving it to the States, working with local communities, to decide how the money will go—and this would also include all of Title III.

What do you think would be the impact of that, number one, in terms of meeting the compelling human need; and number two, having the kind of public-private partnerships that you talked about, Mr. Stupp, where there was a significant public-private partnership for the Meals-on-Wheels—or do you think that there should be a separate block grant for elderly feeding programs?

Ms. Felcher, why don't you start?

Ms. FELCHER. Historically, I think I am correct that when there has been block-granting, there has been a cutting of dollars to those programs. It would be tragic if that were to happen.

However, on the other hand, block-granting, if it were given to the localities——

Senator MIKULSKI. Now, we are talking about one, single block grant, with maternal and child health food programs included as well.

Ms. FELCHER. Oh, oh. I am sorry. No. That would be horrendous. That would be devastating to the elderly nutrition program. Elderly nutrition is not a welfare program. It is a program where people come because they want to socialize, etc, and pay their own way for the most part. Block-granting elderly nutrition with other nutrition programs would be just devastating.

Senator MIKULSKI. But you think there should be a senior nutrition block grant program based on—and then, Mr. Stupp, you can follow up—some communities where they have had aging in place need more of the Meals-on-Wheels; others need the congregate meals. In other words, it seems right now that we have such a rigid prescription and a one-size-fits-all that it is difficult to allocate.

What do you think about that?

Ms. FELCHER. I think the strength would come from the localities themselves making that decision themselves.

Senator MIKULSKI. Which is the State flexibility?

Ms. FELCHER. That is right.

Senator MIKULSKI. Mr. Stupp?

Mr. STUPP. Of the two choices you presented, we would clearly——

Senator MIKULSKI. And there might be other choices; I just wondered what you thought.

Mr. STUPP. We are here to support the reauthorization of The Older Americans Act. But if it were block-granted, we would certainly prefer the latter, where it would be devoted specifically to senior nutrition programs.

Also, I might point out, although I have only heard him mention it once, that our boss, Mayor Giuliani, has spoken about the possibility of some block grants directly to cities, or perhaps cities in a certain category, because we have found, at least with some programs, that when the block grant gets out to the State, a formula is developed that is not necessarily kind to our city.

Then, to follow up on your point about what it would do to the private sector support, clearly, if it were part of a larger block grant, with all the nutrition programs, and we lost significant funding, we would lose a lot of our leverage to raise that $4 million-plus citywide in New York.

Senator MIKULSKI. So your recommendation would be first of all for State and local flexibility.

Mr. STUPP. That is right.

Ms. FELCHER Absolutely.

Senator MIKULSKI. And Ms. Felcher, you talked about these church basements where people come for congregate meals, and where they are now 80 years old. I would like to postulate the concept that it is not that 60-year-olds have stopped coming, and now 80-year-olds are coming, but that people have aged in place——

Ms. FELCHER. Absolutely.

Senator Mikulski [continuing]. And that although the population in a particular area stays the same and ages in place, the very nature of the services must change.

Ms. FELCHER. That is absolutely right. What I said earlier is that most of us who administer these programs now are involved in contracting on a yearly basis, trying to keep up with the growing numbers, without an increase in funding to keep up with the numbers. So we have had to cut back on staffing, we have had to cut back on training. So those are the problems that are happening.

Senator MIKULSKI. What does that staff do?

Ms. FELCHER. Well, in the field, the staff runs the nutrition site and is the social contact for the people who are coming into the nutrition site, the people who need the interaction, who have questions to ask, etc.

Senator MIKULSKI. And does it function along the lines of an Older Americans Act agency, with information and referral?

Ms. FELCHER. What happens in Baltimore is that the site manager is trained to provide a telephone number, where we have direct information and assistance service. In the olden days, when we were Title VII, that site manager was trained in information and assistance, but that is gone with the Title VII program, and now we have one number that theoretically answers all the questions.

Mr. STUPP. To follow up on your point, the phenomenon you have described has also become a new acronym here in the 1990s—a NORC, or a naturally-occurring retirement community. In urban areas like New York, we find that sometimes entire buildings or projects have significant numbers of elderly, and in some cases a

majority. So we have a small grant from the Administration on Aging, and we also have two small grants from the State of New York, to provide services on site there, with an eye toward preventing institutional and more expensive care, and home-delivered meals and often congregate meals are a keystone of those services in those so-called NORCs.

Senator MIKULSKI. Well, Mr. Chairman, I do not want to take any more time, but just an observation here, which is that first of all, we cannot static cling to the sixties; the sixties are over.

Senator GREGG. Are you sure? I still listen to it in my car every day when I drive in.

Senator MIKULSKI. Well, rock-and-roll is a great thing to dance to, but I am not sure it is a great budget concept. And I am one of the leading—you should know that I actually got Senator George Mitchell to come to a rock-and-roll party, if you can believe it.

In other words, the advocates say let us keep the Older Americans Act, let us keep Title III the way it is, and so on. I am not convinced that what we have been doing in the past will work for the future. I think you have essentially two barbells of the population for the elderly that are being served—those of affluent means are in retirement communities, and they have all of this. And then, these programs have now become the safety net for the poor, and they tend to be in poor communities, and they tend to be faced with aging in place, and often, then, the family becomes the case manager in terms of what is to happen to the elderly and what plans need to be made, and there is very skimpy assessment that goes on for that intervention.

So that coming for a fruit cup, a cup of Jello and a meal is very good, but I am concerned that we operate on outdated concepts, often based on maudlin assumptions, and the seniors are in a very different population. Some are old and sick. So this is what I hope we can arrive at in our reauthorization of the Older Americans Act.

Ms. FELCHER. Before you leave, Senator, let me just make a similar observation. There is very little difference in my observation of the people whom we are serving at a congregate meal site and the people who are getting Meals-on-Wheels in Baltimore City. The only difference is that the people who come to the congregate meal site are in fact able to walk or get on a bus, mostly get on a bus. So that the congregate sites are housing very frail seniors, and those that we served in the 1960's and the 1970's are quite different from those that we are serving right now. And we do have to make drastic changes in the nutrition program, without a doubt.

Senator MIKULSKI. Thank you.

Senator GREGG. Thank you, Senator. I appreciate your comments; I think they are right on.

[The prepared statement of Senator Mikulski follows:]

PREPARED STATEMENT OF SENATOR MIKULSKI

Good morning. I want to thank you Senator Gregg for holding this hearing today. I want to work with you as we begin to consider the reauthorization of the Older Americans Act.

It is time that we update the Older Americans Act and put it in shape for the 21st Century. The Act is now 30 years old. It needs a framework for the future. We must think of new ways to meet

its original objectives. We must be innovative and look at successful models. We must consider public private partnerships.

The nutrition programs were added to the act in 1972. They are now over 20 years old. Do they still make sense as currently designed?

We must stop focusing simply on programs and begin to look at outcomes and results. Are the elderly getting fed or are they going hungry? Who is being served? Are they coming to nutrition sites? Are we meeting the need for home delivered meals?

lLast fall when I chaired the subcommittee, my staff met with many advocates and providers; people at the national, State, and local level; they held a roundtable on the nutrition programs. I learned that the use of the nutrition services varies from place to place—there are waiting lists at many nutrition sites but at others there has been a decline in attendance. I learned that the program must have a greater consumer orientation. Nutrition sites must be located at places people congregate. Activities at these sites must be adjusted to meet the interests of the new cohort of seniors. And the food provided must meet the tastes of those being served.

I also learned that there is a fairly broad consensus on the need to give States greater flexibility in meeting the nutrition needs of the elderly and that we must examine the nutrition requirements in the act and determine if they are still appropriate.

I hope that we will be able to explore these issues today. I want to hear the panelists reactions to these findings. And I want to hear what they are doing that is working well. I am especially pleased to see Toby Felcher here today. She has worked with seniors for many years in Baltimore and knows these issues extremely well.

I look forward to hearing from all of the panelists as to what they think needs to be done to bring the nutrition programs into the 21st Century.

Thank you Mr. Chairman.

Senator GREGG. Senator Simon has joined us. Do you have an opening comment or any questions?

Senator SIMON. I have no opening comment, just a couple of observations. One is that Senator Mikulski's observation and yours, Ms. Felcher, that things have changed fairly dramatically is correct, and we are going to have to adjust.

My observation—and this is just echoing my own visible observation—is that the economic integration does occur in rural communities much less than in the urban situation.

The other observation is that as I have listened to us talk here, it strikes me again that the language we use in Washington is very different from the language that we use out there in rural Illinois or New York or Minnesota or our urban areas.

If I were to talk in southern Illinois about congregate nutrition programs, they would not know what I was talking about. So I think it is important that we convey what we are talking about in clear terms.

I have no questions, Mr. Chairman. I appreciate both your testimony and your leadership. This is a program that is important, and I think it is important not only for nutritional purposes, but also for mental health purposes. I find that if I am driving along

by myself, and there is some medical advisor on the radio, if he says, "Here are the signs of kidney disease," and I've listened alone to it long enough, I might start to think, "By George, I have got kidney disease." People who are alone, who do not get out to be among others, I think clearly have many more problems.

Ms. FELCHER. Senator, I do not want to take up all the time here, but I have a very personal anecdote to tell, and I promised myself over the week that when I came here, I would tell this story.

I just got back from a 4-day emergency trip to Florida for my 92-year-old aunt, who has no children, and I am her living relative. She was admitted to a geriatric psychiatric unit because of the isolation that she was—she had been taking care of a 90-year-old husband who was totally bedridden—and she lost it. She just went into such a deep depression that she would not come out of her room, and so on.

And the irony of all of this is that she was suffering from malnutrition, and here I am, the spokesperson for elderly nutrition, and here she is, suffering from malnutrition.

I went down there, she was discharged from the hospital, and we put her in a retirement home like the Senator speaks about. Fortunately, she is able to afford it. In the retirement home, there are all kinds of things for her to be involved in—but alone at home, she was suffering. And if the nutrition program does anything well, it is getting people out to interact with other people so they do not feel isolated.

I am just a firm believer in socialization and elderly nutrition programs, or whatever they call them in your State, in the rural areas. It is a very important program.

The other thing I want to mention is that if anybody has any day-to-day contact with a nutrition program— seniors with their food insecurities, when they come in to the nutrition site often will bring little plastic containers so that they can take food home, which is totally against health department regulations in Maryland. And we have spent 20 years trying to keep them from doing that.

I had lunch with my aunt in this very nice retirement home where all the meals are provided, and I looked at the table next to me, and there was a senior with a little plastic tupperware dish, putting her food from her plate into that tupperware container. That says to me that food insecurity crosses all socioeconomic groups. So what we do with this program is very important to our elders. I think it is an important program.

Senator SIMON. Absolutely. I thank you.

Thank you, Mr. Chairman.

Senator GREGG. Thank you, Senator.

Senator Wellstone has joined us. If you have an opening statement, or you wish to go forward with questions at this time, I would be happy to entertain them.

Senator WELLSTONE. Thank you, Mr. Chairman. I do not have an opening statement, and I apologize to both of you for being late. I had another engagement.

Mr. Stupp, in your testimony, you State, "Despite inheriting huge budget gaps, the mayor has maintained this budget for the

second consecutive year, thus showing the commitment to the city's elderly population. The mayor's commitment to the elderly has allowed us to increase our staff," and so on. So I gather that even in a period of retrenchment and cuts, this is sort of a huge priority for the mayor.

Mr. STUPP. It is.

Senator WELLSTONE. I have a couple of questions, and Mr. Chairman, I would just tell you that from personal experience, having had two parents with Parkinson's disease, living in the small town of Northfield, MN, population about 12,000, that both the congregate dining and the Meals-on-Wheels, for those who cannot come to one location, are extremely important. Their value actually goes way beyond the nutritional value of the programs. I think you have probably already discussed that.

Let me ask four very specific questions to either one of you. First, are there waiting lines for either home-based or congregate dining? Are people turned away right now?

Mr. STUPP. In New York City, we have a citywide waiting list of 900 to 1,000 for home-delivered meals, but that is proportionately, I think, a lot less than other cities that are smaller, like Buffalo or Dallas, and part of the reason why it is smaller is because of the private sector fund raising that we do, of $4 million plus per year.

Also, everyone on that waiting list gets a pack of I think it is 11 nonperishable meals that are provided through private dollars. There are waiting lists in some congregate sites, and in New York City, sometimes we have senior centers that really have become overwhelmed by new waves of immigrants. In Brooklyn in particular, I can recall two or three senior centers that have had waives of a few hundred Russian immigrants all of a sudden.

So there are selected waiting lists at congregate sites, but not citywide.

Ms. FELCHER. In Baltimore, we do not have waiting lists per se. We have waiting lists for communities that would like to have a congregate site. So that we have just had to put everyone on hold because of the lack of funding to open new sites and hire new staff and train new people.

Senator WELLSTONE. So my question of you is that even right now with the existing appropriation, we should not feel confident that all senior citizens or older Americans who in fact could benefit from such assistance are able to obtain it at the moment; is that correct?

Ms. FELCHER. That is absolutely correct.

Mr. STUPP. That is true. It is partly an outreach problem, though, too.

Senator WELLSTONE. You know, there is this stereotype of elderly people as being "greedy geezers" who are playing golf or whatever, every day of the week—and I do not have anything against golf; I am just making another point. But if you look at the statistics on median income for males, I think it is about $15,000 over 65 years old, and about half of that for women, I think, and so it is hardly a high-income profile.

Let me ask a second question. Mr. Chairman, Senator Kassebaum had some very, very good hearings on health care, and we

heard a lot about an increasing focus on managed care within a quote "managed competition" framework. There are a lot of stories about people spending much less time in hospitals. Has the fact that people are now spending less and less time in hospitals increased the demand for Meals-on-Wheels and for some of the community-based nutrition assistance—or do you see any connection?

Mr. STUPP. In New York City, we have not advanced as far as some other States as far as managed care, so I do not think it is appropriate in the New York City context.

Ms. FELCHER. I could not answer that for you. I am not aware of the answer for Baltimore or the Nation as far as that is concerned.

Senator WELLSTONE. I think there might be—and we probably do not have the data—a connection. There is an increasing emphasis on outpatient care for the purpose of reducing costs, and I am not so sure it is a bad thing, moving away from institutional care and people spending less time in hospitals. The question then becomes—it is a bit like the deinstitutionalization movement where it is fine to talk about deinstitutionalization as long as you then do the second part, which is community-based care. I have a feeling that we may just have a greater gap here if we do not fill that need.

Ms. FELCHER. I would like to respond to the beginning part of your question or your statement about the "greedy geezers" and who comes to nutrition sites, etc.

Senator WELLSTONE. Yes—and "greedy geezers" was in quotes, everybody. That is not my line.

Ms. FELCHER. I totally understand that, but I think it is important to go on the record as saying that my colleagues and I have been fighting that stigma for as long as there has been an elderly nutrition program, and I would invite anyone to come to Baltimore and see who it is that participates in the congregate meals program. They are the frailest and probably some of the lowest-income people in the City of Baltimore who participate, and I would venture to say that that is nationally as well.

Senator WELLSTONE. And I think this population is older and frailer than 10 years ago, because that is part of the trend.

Ms. FELCHER. Absolutely.

Senator WELLSTONE. My final question, because I know we have other panels—and maybe you can answer this, or maybe we can have one of the panelists from the rural areas—the question is whether or not the services provided in rural communities, be it New Hampshire or Minnesota, are equivalent to those provided in urban areas. I notice that the programs are required to offer meals at least once per day, 5 days a week—this is for congregate dining—except in rural communities. I find that to be interesting, since obviously, elderly people and older people in rural America are no less citizens than those in urban areas. You may have the answer to this question; if not, I want to make sure that somebody does during this hearing. What the State of congregate dining and Meals-on-Wheels in rural communities?

The problems in rural communities, especially of hunger, are more hidden, but they are no less real. Do you have any sense as to whether you have in New York or in Maryland the same quality

of delivery of congregate dining or Meals-on-Wheels in the rural parts of the States?

Mr. STUPP. I cannot really comment on that. We have our own unique problems in delivery, including getting meals and home care services into some high crime projects. We have had workers actually refuse to go into some projects to deliver and have had to find other solutions.

Ms. FELCHER. One of the major problems is getting the senior to the congregate site in the rural area. That is a transportation issue. For 20 years, we have been talking about that we need more transportation—it is good to have a meal, but if you cannot get the folks there, it is of little value.

Senator WELLSTONE. Absolutely.

Ms. FELCHER. The other thing is that to get the food to that rural site is more costly as well, so that the meal is more expensive at the rural site.

Senator WELLSTONE. I have the feeling as we go through this hearing today that that is one of the questions, Mr. Chairman, that I would like to really focus in on. What are the special kinds of problems in making sure that we make a really good program very helpful to elderly people who live outside of our metropolitan areas.

I thank both of you. I really appreciate the work you do.

Senator GREGG. Thank you, Senator.

I have a couple of questions I would like to follow up on. Ms. Felcher, you talked about flexibility at the local level as being basically the theme of your presentation, that we should build more flexibility into the Act at the local level. If you had a magic wand, how would you do that? How would you change this Act so that you could give more flexibility to the local provider?

Ms. FELCHER. The contracting process can be very time-consuming, although it is appropriate—I am not saying we should do away with the contracting—but there are some locations that insist on contracting for the meal every year.

Senator GREGG. Now, are you dealing with the State here, or——

Ms. FELCHER. Yes, yes—or even in the city. Now, the City of Baltimore is more flexible than many cities, but there are projects across the Nation that have to go through this contracting process every year. Can you imagine what that would do to an administration staff who has to go through that contracting process?

Senator GREGG. Excuse my ignorance, but that is a State aging policy decision that is driven by a State regulation or a city regulation and the way they are going to manage the dollars that come out of the——

Ms. FELCHER. It is not a city regulation.

Senator GREGG. No, but I mean if it were, if it existed—it is not a directive that comes from the Federal Government.

Ms. FELCHER. The Older Americans Act does delineate how the project should be contracted out, and I am not really certain on exactly whether there is a time frame in The Older Americans Act.

Senator GREGG. But what you are saying is that you should have flexibility to be able to contract out for 2 years or 3 years, so that you could have more time to build the program.

Ms. FELCHER. Not only more time—that is, of course, an issue—but dollars saved by a contractor knowing that they are going to

have that program for 2 or 3 years lets the program itself, when they know exactly how much that meal is going to cost, be able to plan and the provider, the vendor, to be able to plan accordingly as well, rather than going out for bid.

Senator GREGG. And I suppose the States are limited by the fact that they get the dollars on an annual appropriation, so that is why they do not want to contract for more than a year.

Ms. FELCHER. Yes, that is true.

The other part of that is the customer part. When the program goes out on bid, and a contractor is changed, a bidder or a vendor is changed, the seniors feel that, too—you have meals coming in one way in 1 year, and meals coming in another way in another year. That is disruptive.

Senator GREGG. Did you have any comments on that, Mr. Stupp?

Mr. STUPP. I would just add that our contracting process in New York City is very rigorous, and there is just complete, wide open competition for contracts, although not on an annual basis, and that was in part as a response to some scandals in the 1980's, so that all contracting is above-board and very, very competitive. So we are trying to reward existing contractors perhaps with a few bonus points, but not to the point of getting anticompetitive, just so that people have an incentive to do a good job.

One piece of flexibility—and this is my own view; I am not necessarily even speaking for any large group of contractors—but I think it might be wise to give local contractors, not just city agencies and AAAs, the flexibility to require donations for meals. That is, I would not want to see the meal donation made mandatory nationwide by any means, but I find in some parts of New York City—and I referred to this phenomenon earlier—some of the programs have just been overwhelmed over a period of a year or two with a tidal wave of recent senior citizen immigrants. They may have come over with their middle-aged children, and they do not speak our language very well, and in many cases, they come from a culture that is not used to voluntarism, so they have often overwhelmed some of these local programs and diluted their ability to provide services to their long-time members and to potential new members. So that is one piece of flexibility I might suggest.

Senator GREGG. That gets into a complicated issue which I would be interested in your thoughts on, which is the question of if you give that flexibility to local providers to require a contribution, how do you end up not getting into this whole question of means-testing?

Mr. STUPP. It could be a very low floor. In some of the programs I am thinking of, if we had a floor even of 50 cents, we would make a big impact in continuing services there. I do not think you need to have means-testing necessarily.

Senator GREGG. I am interested in your comments, Mr. Stupp, on the block grant approach. Assuming that there were a block grant which was just the food programs, your suggestion is that it should be not a block grant back to the States, but that it should be a block grant back to urban areas?

Mr. STUPP. The mayor has commented on the possibility of a block grant directly to cities in a certain category, and I have not

really had a conversation with him about that, but I think I would certainly welcome something like that for aging services.

Senator GREGG. What would be your reaction if we were to block-grant the major funding component of the Act, specifically, Title III and Title V, and give flexibility to the city to move funds from the Title V account into the Title III account, or vice versa?

Mr. STUPP. I would be open to that.

Ms. FELCHER. I respectfully disagree. I would be fearful—when you say block-granting III and V together, I would be very nervous that nutrition would suffer, and that is one place where you really cannot cut back because of the impact that it would have on the seniors.

Senator GREGG. I would think it would be just the other way around. I would think the funds would naturally flow to nutrition versus work programs.

Ms. FELCHER. Because both programs are vital, and Title V has been very effective. As far as I am concerned, they go hand-in-hand because many of the Title V participants are working at the congregate meal sites.

Senator GREGG. That is why I was thinking there is a symmetry there; and in fact, you were talking about your staffing concerns, and it seems to me that if you had a set of dollars that came to you to deliver the congregate meals and the services that are tied into the seniors who come to the congregate meals, then the dollars are going to be significantly higher if you put the two together as far as flexibility.

Ms. FELCHER. Having heard you say it that way, it makes a lot of sense. I would just want to make sure that nutrition got fully funded.

Senator GREGG. Well, that would be up to the local. I mean, it would be a block grant, and it would be up to you folks as to how you allocated the dollars, and if you felt you were having staffing problems, then you could move some dollars into some specific staffing area—but you obviously would not do that if you thought it was going to have a negative impact—it would be your decision.

Ms. FELCHER. OK.

Mr. STUPP. Presumably, if the locality has the flexibility, we can respond to needs and shift even on a monthly basis.

Ms. FELCHER. Right.

Senator GREGG. Oh, yes.

Ms. FELCHER. If the locals have the decisionmaking ability, then yes, that would be wonderful.

Senator GREGG. OK.

Did you have any further questions, Senator Wellstone?

Senator WELLSTONE. No, Mr. Chairman. I think we will get back to some questions in the next panel.

Senator GREGG. Did you have something further, Mr. Stupp?

Mr. STUPP. I was just going to add, lest I be misunderstood, that I would not support a national requirement for a donation. My point was just to give some local programs that are being overwhelmed the flexibility to require it—that is all. I would be disappointed if most programs instituted a requirement, but some are in dire straights.

Senator WELLSTONE. I think I also understand what both of you are saying—I hear from Minnesota that as long as it is within food and nutrition, that flexibility within the block-grant is what people are very interested in. For example, the whole question of how much you spend for congregate dining versus Meals-on-Wheels is a huge issue in my State.

It is interesting, though, that I hear a lot of people saying if you want to have this flexibility and you want to decentralize, then that does not necessarily—and I know we have a former Governor here—but that does not necessarily stop at the Governor level. What we would really like to see is for it going more down to the country or to the urban areas.

Senator GREGG. I think that was Mr. Stupp's point.

Senator WELLSTONE. Right. But I think the other key point at the Federal level is that there is nothing inconsistent about, on the one hand, pushing for more decentralization and programs closer to people and involving more people in communities, which I think is a very healthy principle, and at the same time having a commitment of funding.

The challenge is to make sure that it is not a slight of the hand, and that all in the name of decentralization and all in the name of bringing it back to the community, the other hand doesn't take away some of the funding. If there is not adequate funding, we get back to where we either have to walk away from people in need, or we have to raise local property taxes or whatever.

Ms. FELCHER. That was my point exactly.

Senator GREGG. Thank you.

I thank the panel very much, and would ask the folks on the second panel if they would step forward.

Senator GREGG. This panel is made up of three people who are very active in the hands-on delivery of these programs and who come from variety of different backgrounds in that area.

First, we have Debra Perou-Hermans, who is from New Hampshire and is executive director of the Rockingham Nutrition and Meals-on-Wheels Program. She has been serving it since its inception in 1978 and has been a positive force in New Hampshire elderly affairs for 17 years, helping to improve our local nutrition programs immensely; the Rockingham program is one of the best in the State. The State has many good programs, and Rockingham is one of our best.

Our second witness is Ms. Margot Clark, who is founder and executive director of the Meals-on-Wheels program in Northwest, IN. She has been working with elderly programs since 1977, and one of her most recent achievements is the opening of a central kitchen that allows groups to produce, prepare and deliver their meals. She is also affiliated with the National Association of Meals Programs, where she serves as the association's secretary.

And finally, Mrs. Barbara Harris, who is associate director of Senior Citizen Services of Greater Tarrant County, in Forth Worth, TX; she has also been active in elderly activities for the last 11 years—it looks like we have a total of about 50 years of experience on this panel, so this is great—she is also a member of the National Council on Aging, the Texas Association of Senior Citizens,

the Southwest Society of Aging, and the National Association of Meals Programs.

We very much appreciate all of you taking the time to come and give your thoughts on how we can improve this program, and we will start with you, Ms. Hermans.

STATEMENTS OF DEBRA PEROU-HERMANS, EXECUTIVE DIRECTOR, ROCKINGHAM NUTRITION AND MEALS-ON-WHEELS PROGRAMS, BRENTWOOD, NH; MARGOT CLARK, EXECUTIVE DIRECTOR, NORTHWEST INDIANA MEALS-ON-WHEELS, CROWN POINT, IN; AND BARBARA J. HARRIS, ASSOCIATE DIRECTOR, SENIOR CITIZEN SERVICES OF GREATER TARRANT COUNTY, FORTH WORTH, TX

Ms. PEROU-HERMANS. Thank you, Senator, for giving us this chance to speak today.

To give you a little balance, I am the director of a nonprofit, and we do meals, congregate, and homebound services and some transportation for the elderly in Rockingham County, NH. We have 13 sites, we serve 37 communities, and we provide about 800 meals a day.

As you mentioned, I have been doing this for 17 years, and I have seen some major changes. My major change has been how much the Meals-on-Wheels program has grown, how much the congregate program has dropped, and how great the need for transportation is; in New Hampshire, you cannot get to too many places without a ride.

In 1978, our first year, we served 60,000 meals at dining halls and 9,000 Meals-on-Wheels. This last year, we served 53,000 meals, so we are down from 18 years ago, and we served 145,679 Meals-on-Wheels. We are seeing a 9 percent growth every year at least in the Meals-on-Wheels program.

There are lots of reasons for this—early hospital discharges, people are living longer. I have some different thoughts about the congregate and what is going on there, but it is a lot different from the Older Americans Act we knew in 1978.

In New Hampshire, Meals-on-Wheels are 68 percent of the meals we serve; in our agency, that is 75 percent.

A specific way you can change this—right now, the Federal money comes down for congregate meals and for homebound meals, and you are not supposed to switch the categories. What happens is that this is a major problem, and people do not always do the right thing, because they try to make the money fit the meals. A major thing the Federal Government could do is do away with those categories and tell me: You serve 200,000 meals, and you decide, based on your local need, which kind you do.

Right now, we cannot do that very easily, and that would be a major help.

With the big growth in the homebound program, more so for rural areas, the idea is what should you do with the congregate program—is it dead. I think as we can see from other people, it is not; it is a long way from being dead. There is a lot of variation all over the country, State to State. In many places, the congregate program is still the main place. However, in the more rural areas, transportation is a factor; transportation is very expensive. And I

am not so sure that congregate programs are going to be here in the future.

However, even if they are dwindling, I do not think they should be shut off. Again, congregate centers give us volunteers,they give us money—I often use that money to run the Meals-on-Wheels program—and they also fulfill needs you have talked about. They often give back more than they take because so many elderly people volunteer.

So let us talk about flexibility. The Federal Government should not tell us which one to do. They should let the money come down, and they should not try to kill one or the other kind of program. I think they should just let happen what is going to happen. And I think the funding restrictions should be freed up for the type of meal, and also there should be freeing up of some funding restrictions between meals and transportation. But as has been alluded to, Meals-on-Wheels is kind of looked at as a fat cow with other aging programs, because there is a fair amount of money, because there is such a need for it.

If you do not put Federal restrictions on that, I think a lot of people will look to that money and take it, and I think Meals-on-Wheels and congregate centers are the main parts of the services, and if you start dismantling that, the whole thing will unravel.

So I think there needs to be a Federal limit on how much is going to go for the meals. I think you cannot just throw it to the States. We did go to block grants in the 1980's. There was the creation of a social service block grant. So we have been through some of this before. What happened when it went to the States is that, unlike the Older Americans Act, we got a Meals-on-Wheels program that is means-tested, we do a fat intake on everybody, we have to bill per client, and we have lots and lots of paperwork—plus we lost 15 percent of our money.

There was a recent effort by our State to change all the programs to run like this. Besides being against the spirit of the Act, it would cost us $50,000 more to run the program this way, and we would not feed one more person.

So with the block grant idea, I think there are lots of good ideas—however, I think we have to be very careful to avoid some of the things we saw in the 1980's, including means-testing, less service, more paperwork. I still think you have to put that Federal minimum because the money will shift. I mean, when you do not have enough money—and no one has enough money—it is going to shift. So that if you really care about something, there needs to be some Federal direction.

Also, if you send down a reduction like they did in the 1980's, the Meals-on-Wheels clients should not feel it; if it is for the bureaucracy, then the bureaucracy should be hit. Like I said, I went down; my poorest clients got a 15 percent cut.

Also, I think there should be reduced reporting regulations. Right now, in New Hampshire, when someone needs service, we fill out a piece of paper on them once; somebody else comes in and fills out a piece of paper; somebody else comes in—it seems like there should be ways through Social Security, maybe through a State clearinghouse house—I mean, we are in the age of split-second computers and this kind of stuff—it seems like we should be able

to get this information without each one of us going in and asking this 85-year-old lady who has had a stroke, "Now, who are you, and what is your income?"

I think there are easier ways to do some simple things, such as collection of information.

And I want to speak to means-testing. We have been feeling a big push that, "You guys are doing a great thing, but you are not real accountable; you really have to do a better job." So that a lot of people are talking about means-testing. The idea is to get rid of people who do not need the meals, and then we will have money to take care of those who do need them.

However, as the previous panel was saying, not too many people getting these meals do not need them. And those people who do come, who might be what you might call marginal, they often give us more than they take. Most of the people are low-income; there are a few middle-income. In New Hampshire, the profile of someone going to a dining hall is female, alone or with a spouse, over 70 years old, making less than $600. A Meals-on-Wheels client is typically 80 years old, living alone, with an income of $599. So these are not the wrong kinds of people.

I think if you means-test as a way to say okay, we are going to get the service to the neediest people, I think some not good things will happen. First of all, it will cost more money, and we do not have any more money. Second of all, people will leave, especially at the congregate centers; as someone said, "I don't need to give my life history to have lunch."

Middle-income people will leave, and we will lose their volunteers and their money. I think a lot of people will call it welfare. One really nice thing about the Older Americans Act is that it is not welfare. As Senator Gregg knows, in New Hampshire, you have got "Yankees" who are really very, very proud to the point where I had a 102-year-old lady who was obviously not very well, and I offered to get her lunch, and she said, "Nope. I can do that, Dearie. I can do it." She would not let me do a thing. I mean, they are not looking for handouts. And you tell them it is welfare, and you will lose them, and you will pay later.

Nutrition programs are serving the right people. We are seeing these people very day, and if something is not going right, we are going to deal with it. It is not just like we sign them up. We are in there every day, and we know if they are not there. So we know what we are doing, and you should feel good about what we are doing.

There are also many other needs. Financial need is a major one, but there are other things. There are things like can they prepare their meals, are they losing mental capabilities, are they paying $1,000 a month for their medications. I mean, financial need does not tell it all. We had one guy, 79 years old, with a halo, a fractured back; if he were making $12,000, he would be off the program. So that when you make means-testing, when you make rigid rules up here, it does not always work well locally.

Also, health is a major issue. As I mentioned, with no means test for Medicare, you could end up paying a lot of money for costs, and means-testing is not the best thing. In New Hampshire, we have not changed the means-testing thing in 10 years. So that 10 years

ago, it made sense, but it does not make sense now, and often the person tells you. So means-testing is not a perfect answer.

And the last thing about means-testing is that service will always be limited. There is never enough money, never has been, and never will be. If you let a local person do a face-to-face interview with someone, I think it would be a lot better. If you have to do means-testing, I think it would make more sense if you had high cut-off levels so that we could take other things into account. However, I think it will really hurt the program; I think it will cost money that I do not have and you do not have; I think people will be knocked out of the program who give more, and it does not appear to be worth it.

One thing that is worth it is the cost-sharing you talked about. We collect over $200,000 from the clients. The clients do give a lot. One thing, there is a law right now saying that we have to do it a certain way. If the Federal Government took that law away and said we want to maintain the dignity of the client, we want to target people in need regardless of their ability to pay—if you gave me more flexibility, in some places, I could probably raise some more money. I do not think we should go out there and be arm-twisting. I think that is the wrong thing to do. But there are some cases where if I had the freedom and did not have people saying—because the older people always ask, "Why do you use those envelopes? You would get a lot more money if you did not have to use those envelopes." And I say, "Because if I do not use the envelopes, we are in big trouble, folks."

So that again, it is very simple—get rid of the regulation that we have to—make the spirit of the act say that we can request donations, maintain dignity, really try to reach the people, but give me more flexibility in how to do it.

A couple more points about changing the Older Americans Act. The Senator was talking about the 21st century. I think there are many good things about the Act right now. It does have a very good track record. It really does save money in health care and institutional care. I think the things that people want to see are happening anyway. I have been doing it for 17 years, and I have been trying to do some things, but some things just happen. The change in the congregate program—those people drift off, they do other things if they are healthy; they do not some to us—so you do not have to legislate to let them come to us. I think that if people do come, it is because of a need.

So I think a lot of things will happen if you just let it happen. I have seen big changes myself. But they do work, they are inexpensive, they multiply the dollar. It is like you get a big bang for the buck, or even more, it is like fireworks—you get the meal, someone checks on you, they open the jar, they help you when you are falling. And they do help the families. It makes a lot of sense. People do want to stay at home, and it is much cheaper.

We can feed someone for $5.50 a day. And people belabor this, but you know, if you cannot eat, you are not going to be home very long. I mean, you can have a dirty house, you can have a lot of other things, but if you are not eating right, it is not going to last too long.

The local hospital—and we are not even a big city hospital—is $515, or $1,000 a day. I had my appendix out, and it cost me a good $3,000, $4,000, and I was there for 24 hours. And they do send people home. A guy who had had a massive heart attack went home in 2 days. And they send them home with Meals-on-Wheels. The hospital tells them, "They can feed you twice a day, 7 days a week," and I say to the hospital, "You are not paying for this. Do not tell them this, anyway."

And a local nursing home costs $46,000. So that even if you fed too many people and kept one person out of a nursing home or kept one person out of the hospital, you have got $5 here or $2,000 for the year; you have got $46,000 here, plus the hospital care. I mean, the differential is so incredible, so that if you are going to make a mistake, make a mistake this way.

The financial climate is really tough, which is why we are all here. Where we are now is based on decisions we have made. Our county gives me $36,000. They spend $18 million on nursing home care. So whether you think that is right or wrong, we are somewhere, and we are somewhere that is expensive. The point is how do we get someplace else, as Senator Mikulski was mentioning. And the answer is not easy, but the point is that we are somewhere, and we are somewhere that is expensive, and I am not quite sure how we do something, except that Meals-on-Wheels has and can send a lot of money.

In the future—I want to mention a couple of things—I do not have it worked out, but I have given talks to insurance executives, and they perk up at the idea that keeping people in their homes also saves on insurance premiums, life insurance, health insurance. There might be a way to work out something with them with money.

Also, Meals-on-Wheels is a distribution. We are sending all those meals out. We could also send drugs out, medications, we could send out groceries. Maybe we could tie in more so that way in the future.

And one last comment that I do not have an answer to either is that a lot of the older people at home would like to do something, and they are an untapped resource. I am not sure how you tap that, but there are many of them who would like to be doing something.

All in all, the Older Americans Act has been very popular and very successful. Everybody does seem to love Meals-on-Wheels. I think it is okay because it works, it is cheap. There have been changes, but there are many things that really do work about it. It has made a difference in cost, and as the elderly population continues to grow, it will make a difference in the future.

I think if we better use information, that will help; if we do not means test, that will help. If the Federal Government gives us flexibility of funding between types, that will help. I think if they drop the rules about donations, that will help.

But the bottom line is you do need money. In the future, there might be some ways that we can develop some new sources, but I think we need to maintain our current commitments and carefully manage the changes that are coming up so that Meals-on-Wheels will be alive into the 21st century.

Thank you.
Senator GREGG. Thank you very much.
[The prepared statement of Ms. Perou-Hermans follows:]

PREPARED STATEMENT OF DEBRA PEROU-HERMANS

Members of the Senate committee, colleagues, thank you for this opportunity to testify today.

My name is Debra Perou-Hermans. I am the Director of a nonprofit agency that provides meals, services, and some transportation programs to the elderly in Rockingham County, NH. We currently have 13 group meal locations from which we service the entire county, and we are serving about 800 meals daily.

I have worked for 17 years under the Older Americans Act. The most dramatic changes I have experienced are the tremendous growth in the Meals on Wheels program, a decline in the Congregate program, and a heightened need for transportation. In 1978 our first year, we served 60,000 meals at dining halls and 9,000 Meals on Wheels. This last year we served 53,000 meals at dining halls and 145,679 Meals on Wheels. In our total meals there was a period of growth, peaking in the 80's with pretty much a steady state since then, but internally the Congregate meals were dropping, and homebound rising, about a 9 percent increase per year in the demand. There are many reasons for this change: pressure from early hospital discharge, increasing longevity, healthier retirees. competing activities for the younger old person—and it has put a different face on the Older Americans Act we knew in 1978. In New Hampshire homebound meals are 68 percent of the total, in our agency they are 75 percent. Currently Federal money is specific, so much for Congregate and so much for homebound. Switching is not easy, and the division of money has not followed the changes in programs. This is a major law, and encourages some poor practices. There should be flexibility locally to provide congregate or homebound meals according to local need.

With the dramatic rise in the homebound program is the Congregate program dead? No, there is a lot of variation State to State, town to town. In some places congregate programs still play the major role in feeding at-risk elderly. It is playing less of a role in some rural areas as transportation is a factor here.

For those centers that are dwindling, should they be shut off, are they a waste of money? Again, no. The Congregate centers provide volunteers and money (they donate much more), to run the Meals on Wheels programs. Unto themselves, Congregate dining, like Meals on Wheels, fills needs, of nutrition, of socialization—and they often give back more than they take, being a major conduit for elderly volunteerism. Let congregate meals continue, but free up the funding restrictions, so the type of meal will be based on local demand. In addition to flexibility between the meals type, allow some flexibility with support services, especially for transportation; but keep the money for the meals specific. Leading us to the idea of Block Grants.

Our agency went through block granting in the early 80's with the creation of the Social Services Block Grant. Unlike the Older Americans Act, this Meals on Wheels program is means tested, requires extensive reporting per client, requires billing per client, rather than per meal, and has a long paper trail before and after it, plus we were handed a 15 percent decrease in actual funds. Not much of a Christmas present. I have no sense of its methodology of allocation, besides history, and in this age of not enough money, there is a lot of pressure to take from Peter to pay Paul. There was a recent effort by some state staff, in the name of the Federal Government, to run all Older Americas Act programs this way. Besides being against the spirit of the act, it would cost us $50,000 more in clerical staff to process this, and not feed one more person.

The Block Grant idea for the 90's that sounds so good should be carefully crafted to avoid the above pitfalls, of means testing, less service, and more paperwork. The grant should have Federal minimum funding levels for the meals. If a percent cut must be sent down with the justification of reduced bureaucracies, direct it to the bureaucracies, and do not pass it down to cut meals. It should follow that there be reduced reporting and regulations.

Now in New Hampshire, someone needing multiple services (meals, homemakers) will have each provider fill out a separate application on them (which takes from 30 minutes to an hour.) Other states seem to have better single entry intakes, still there must be better ways to get basic information. There must be ways to access information at Social Security, or through a statewide clearinghouse and card system. In this information age the current method seems not only expensive, but ar-

chaic. As block grants get passed down, they must be combined with creative ways, more current means, to process and account for services.

A common way to look at this problem of accountability is means testing. Catch'm. Get rid of all those folks eating who don't need it, and we'll have plenty of money. However, there are not many to catch, and those to catch are frequently adding more to the till than they are taking. The majority of clients are low income and some middle income. The average profile of a congregate participant in New Hampshire is a female living alone (63 percent) or with an elderly spouse (26 percent) over 70 (72 percent) with a monthly income under $600 (25 percent under $400). The profile of a typical MOW client is a woman 80 years of age or older (49 percent) living alone or with an elderly spouse, with an income of $599 a month or less (69 percent below $400 a month).

If you means test the Older Americans Act, I think the following will happen,

1. It will cost more money, money we do not have.

2. It will decrease participation, especially at the centers, as people will feel "I don't need to give my life history for lunch."

3. The middle income participants will leave, and we will lose valuable volunteers ad financial support.

4. The elderly will view meals on wheels as welfare and for that, many will stay clear of it, despite need, and will end up costing more in care later.

5. Nutrition programs are serving the right people. There is a lot of local scrutiny. We do daily service and we see a lot, and act accordingly.

6. There are many needs. Financial need is one, often a major one, but many factors should be assessed locally to get an accurate picture of need. Other factors often assessed include living situation, ambulation, meal preparation ability, health, mobility, cognition, support system, level of expenses, etc. A more comprehensive picture of need including more factors, will ensure that those most in need are served.

7. Health is a major issue here. The costs associated with declining health aggravated by poor to inadequate diets is great. Rich, poor, or middle class, with no means test for Medicare, means health problems coupled with poor diets will cost, and cost a lot.

8. Means testing itself is often fraught with problems. In N.H. the level of need has not been changed in ten years. Information is frequently self declared. It is not a great answer, and is often an expensive one.

9. Service will always be limited. There is never enough money, never has been, never will be. Let the local provider assess the full range of needs on a face to face basis, and decide who gets services and who does not. Do not needlessly complicate the matter with an artificial one-size fits-all limitation.

If means testing must happen, it would make more sense if the cut-off levels were reasonable, higher than now, and updated on a regular basis. However for the fallout it will cause, for its additional cost when there is no money, for the few who it will catch (who I'd like to keep for their help,) it does not appear to be worth it. The weeding out happens naturally, let it continue.

Something that does appear to be worth it, could be even more so if regulations are relaxed, is cost sharing. We collect over $200,000 from the clients. It would be helpful to leave open how it is collected with the intent to continue to protect the dignity of clients and to target people in need regardless of ability to pay. We will be resourceful, do what we can, where we can, as appropriate to maximize cost sharing.

So what's the big deal if the Older Americans Act gets tinkered with, if it gets changed, maybe even for the worse; if it even gets lost in efforts to decrease the federal deficit? OAA programs are worth it, they can save money in areas that are currently costing us a lot health care and institutional care. They have a good track record. (And I think with some minor changes, what you want to happen will happen naturally—it already is, and at no added expense to make it happen.) OAA Programs are effective; they are inexpensive, especially when compared to the alternatives; they multiply the federal dollar through their extensive use of volunteers and local fund raising. There is a big bang for the buck. Or even more like fireworks, there is a lot that comes with that meal someone checking on you, help with opening that jar, hat bottle of medicine, help when you've fallen. Ready food as you are laid up recuperating from a hip operation. Peace of mind for your working daughter who worried about your lunch and whether you were all right. And it makes so much sense. People want to stay home. It is so much cheaper to stay home. We can feed someone the hot lunch for about $5.50 a day, throwing in the smile, the conversation. If unable to eat properly, how long would that person last at home? A local hospital costs $515 for the semi private room alone, almost $1,000 for special care room rate. Nursing homes run $128/day or about $46,000 a year.

But new money isn't there. I have found on the local level that all major sources of funds have been tapped during the 80's and into the 90's. There are few appreciable places to turn for continuing funding in the existing landscape. In the future, perhaps with Federal initiatives, new partnerships could be formed with health and life insurance companies, as they have interests at stake. There is room for development of Meals on Wheels as a distribution network, all those deliveries could also be means for distribution of medicines, of groceries, and help foster financial relationships with grocery and pharmaceutical chains. Also, not a moneymaker, but an untapped resource is the older homebound person themselves. Many of them want to contribute.

Older Americans Act programs have been very popular and successful. Everybody loves Meals on Wheels. That's OK—it works, its cheap, it helps older people remain longer at home. It has made an impact on costs, and as the elderly population continues to grow, it will make an impact into the future. How much of an impact? Creative use of current sources of information for accountability and client analysis will help. No means testing will help. Flexibility of funding between types of meals will help. Freeing up cost sharing will help. But adequate funding is necessary. Perhaps into the future some new private sources of funding can be developed. But we must maintain and increase current commitments and carefully manage the changes to keep Meals On Wheels alive well into the 21st Century.

Thank you.

Senator GREGG. Ms. Clark.

Ms. CLARK. Mr. Chairman, for the sake of time, I am summarizing my testimony and would ask that the full text of my written statement be included in the hearing record.

Senator GREGG. It will be.

Ms. CLARK. Thank you.

Mr. Chairman and members of the Subcommittee on Aging, I am Margot Clark, the executive director of Meals-on-Wheels of Northwest Indiana. I thank you all, and particularly Indiana's Senator Dan Coats, for the opportunity to participate in this dialogue about the importance of the elderly nutrition programs, particularly in the context of your reexamination of the Older Americans Act.

Meals-on-Wheels of Northwest Indiana, a not-for-profit United Way agency, began service in Lake County, IN in July 1977. That year, we served, 2,300 meals in three communities. Thanks to the support of the communities and individuals we serve, we now provide over 94,000 meals a year in 19 communities.

I believe our growth illustrates two important points. First, there is and will continue to be an increasing need for Meals-on-Wheels services in communities throughout America. Second, communities, individuals and families understand the value of these programs, and they support them. When I say "support," I do not mean only that they believe in them as worthy endeavors; I mean they give both financial and volunteer support that sustains Meals-on-Wheels programs like ours.

Our program is not unique. It is representative of thousands of private programs throughout the United States that receive no nutrition funds through the Older Americans Act. We do, however, strongly agree with the principle that the act articulates. We regard ourselves as part of the community-based aging service network the Act has nurtured, and we advocate continued Federal financial support of elderly nutrition services.

None of us can do it alone. In your deliberations, as you calculate the numbers of elderly citizens fed through the Older Americans Act programs, add to that hundreds of thousands more served through private programs. Then the magnitude of the need will really become clear.

Let me give you an example of the types of people and problems to which Meals-on-Wheels responds. Recently, an elderly woman from a middle-class community called our office in tears. Her husband had died 6 weeks earlier. Her children had come home for the funeral and to help her get her business affairs settled, and they had returned to their homes out of State. She was left alone and without a support system. Because her husband had driven her everywhere, she had never learned to drive. Without her husband, she no longer had a way to get to the grocery store, but she was reluctant to admit her need for help. Instead, as many elderly people do, she devised an ingenious system for dealing with her problem. Every Sunday, a friend would pick her up and take her to church. After church each week, she would ask the friend to drive her to a franchise chicken place, where she would order a large bucket of chicken. She was surviving on a piece or two of chicken each day, a bucket each week.

But surviving was all she was doing, and over time, the weeks of poor nutrition were taking their toll. It is that nutritional toll that Meals-on-Wheels programs strive to eradicate.

To us, providing meals to seniors in our community has little to do with economic status and everything to do with need. Poverty may contribute to an individual's problems, but there are generally other primary factors, such as isolation, illness, age, and incapacity, that cause the need. As we go about the process of defining the future of the Older Americans Act, we might want to carefully consider what we mean when we say "need." We may want to look anew at the whole issue of cost-sharing as a means of program expansion.

In addition to running an Indiana program, I am also secretary of the National Association of Meal Programs. Last year, NAMP conducted a survey of over 34,000 congregate and Meals-on-Wheels participants across the country. Eighty-eight percent of congregate meal program respondents and 79 percent of those who receive meals at home believe that they contribute their fair share toward the cost of meals. But at the same time, 65 percent of congregate and 52 percent of home-delivered meal respondents would be willing to contribute more, according to our survey.

Private programs like mine have the ability to charge a fee for our meals, and we do. But we keep that fee affordable. As you are aware, programs funded through Title III of the Older Americans Act are not permitted to require meal recipients to pay anything for services, although they do request and receive voluntary contributions. The results of the NAMP survey seem to suggest that many federally-funded programs and, more important, the older persons they serve, could benefit substantially if programs had more flexibility to make decisions about how to handle and apply cost-sharing in their programs.

As we enter the next century, we know for certain that a growing number of individuals will need elderly nutrition services. We can anticipate that given the deficit and other issues, Federal resources will not be able to keep pace with that need. In that context, the elderly themselves should be considered a legitimate source of additional program funding. In no case, however, should participant contributions be used to supplant the current level of Federal sup-

port, or to reduce the national commitment to eradicating hunger and malnutrition among our elderly.

Private programs alone cannot meet the very real needs of the homebound elderly. If the Older Americans Act Title III-C dollars were cut, or the Federal commitment to elderly nutrition programs abridged, we could never compensate for that. Thousands of people would go without services and be forced into premature institutionalization at a tremendous cost to the Nation in both monetary and human terms.

The elderly nutrition programs are our first defense against the downward spiral that poor nutrition inevitably brings. Our success to date lies in the private-public partnerships the elderly nutrition program represents. Our future success depends on strengthening our partnerships and adapting our programs to meet the changing demands of a population destined to grow older, larger, and frailer.

Again, thank you, Mr. Chairman, for the opportunity to participate in this important hearing. I will be delighted to answer any questions.

Senator GREGG. Thank you for that excellent testimony.

[The prepared statement of Ms. Clark follows:]

PREPARED STATEMENT OF MARGOT CLARK

Mr. Chairman and members of the Subcommittee on Aging. I am Margot Clark, the executive director of Meals on Wheels of Northwest Indiana. I thank you all, and particularly our own Indiana Senator Dan Coats, for the opportunity to participate in this dialogue about the importance of elderly nutrition programs, particularly in the context of your re-examination of the Older Americans Act.

Meals on Wheels of Northwest Indiana began service in Lake County, Indiana, In July 1977. That year we served 2,300 meals in three communities. In the 18 years since our founding, thanks to the support of the communities and individuals we serve, the program has grown tremendously. We now provide over 94,000 meals a year in 19 communities. I believe our growth illustrates two important points. First, there is, and will continue to be, an increasing need for meals on wheels services in communities throughout America. Second, communities, individuals, and families understand the value of these programs, and they support them. When I say support, I do not mean only that they believe them to be worthy endeavors. I mean they give both financial and volunteer support that sustains Meals on Wheels programs like ours.

Meals on Wheels of Northwest Indiana is a private, not-for-profit United Way Agency with a current annual budget of one half million dollars. Our financial support comes from several sources, including client meal fees, the United Way, and private donations and grants. In addition and as important, we receive over one hundred thousand dollars in in-kind donations from our corps of over 450 volunteers who give their time and their automobiles to deliver meals.

I am happy to tell you that our program is not unique. Rather it is representative of thousands of private programs throughout the United States that receive no nutrition funds through the Older Americans Act. While we do not receive funding from that source, we do strongly agree with the principles the act articulates, we regard ourselves as part of the community-based aging services network the act has nurtured, and we advocate continued federal financial support of elderly nutrition services. It is our firm belief that only the combination of public, and private, and private-public programs can address the enormous need that exists. None of us can do it alone. In your deliberations, as you calculate the numbers of the hundreds of thousands of elderly citizens fed through OAA programs, add to that hundreds of thousands more served through private programs. Then you will begin to see the magnitude of the need.

Our program began as a community-based response to need in our area—a response to hunger and the premature institutionalization of homebound elderly who either could not prepare or did not have access to nutritious meals. There are many cases when nursing home care is appropriate, but I think you will agree that simply not having access to a hot, nutritious meal is not one of them. We are firmly con-

vinced that our service enables many senior citizens to avoid unnecessary or premature institutionalization.

Let me give you an example of the types of people and problems to which we respond. Recently an elderly woman from a middle class community called our office in tears. Her husband had died 6 weeks earlier, and although her children had come home for the funeral and to help her get her business affairs settled, they had returned to their home out of state. She was left alone and without a support system. Because her husband had driven her everywhere, she had never learned to drive. Without him she no longer had a way to get to the grocery store, but she was reluctant to admit her need for help. Instead, as many elderly do, she devised an ingenious system for dealing with her problem. Every Sunday a friend would pick her up and take her to church. After church each week, she would ask the friend to drive her to a franchise chicken place where she would order a large bucket of chicken. She was surviving on a piece or two of chicken each day,. a bucket each week. But surviving was all she was doing, and over time the weeks of poor nutrition were taking their toll. It is this nutritional toll that meals on wheels programs strive to eradicate.

To us providing meals to seniors in our community has little to do with economic status and everything to do with need. I know that Older Americans Act nutrition programs are not means-tested. While our program is not governed by the Act, we also have never regarded feeding people as a poverty issue. Poverty may contribute to an individual's problems, but there are generally other primary factors such as isolation, illness, age, and incapacity that cause the need.

Our program does feed many low income individuals for whom we employ a sliding fee scale. We also are certified to use food stamps and we provide meals under our State's Medicaid waiver program and the Indiana Choice program. Large numbers of the clients we serve, however, are low- and middle-income seniors who need our meals for other than economic reason. As we go about this process of defining the future of the Older Americans Act, we might want to consider carefully what we mean when we say need." We may want to look anew at the whole issue of cost-sharing as a means of program expansion. Private programs like mine have experience with this very thing, and I think federal programs could learn by examining our experiences. It indicates that many, many older persons are able and willing to pay for their meals. If they cannot pay the entire cost, they can and will contribute a substantial part. More than my program's experience alone bears this out. The elderly themselves have said so.

In addition to being the Executive Director of an Indiana program, I am also the Secretary of the National Association of Meal Programs. Last year, NAMP conducted a survey, sanctioned by the White House Conference on Aging, of over 34,000 congregate and meals on wheels participants in every one of the ten federal regions across the country. Respondents were individuals served by both privately and federally funded programs, although the large majority were from federally-funded programs (97 percent of congregate and 86 percent of home delivered). I would like to submit for the committee's consideration and for the record a copy of the report and policy recommendations based on that survey that NAMP submitted to the White House Conference on Aging earlier this year. But let me mention some of our findings for you today.

While most participants conceived of themselves as already paying a reasonable amount for the service they receive, they seem generally willing to try to do more if this is necessary to keep the programs in assistance for themselves and others. Specifically, eighty-eight percent of congregate meal programs respondents and seventy-nine percent of those who receive meals at home believed that they contribute their fair share toward the cost of the meals. At the same time, sixty-five percent of congregate and fifty-two percent of home delivered meal respondents would be willing to contribute more.

Private programs like mine have the ability to charge a fee for our meals, and we do. As you are aware, programs funded through Title III of the Older Americans Act are not permitted to require meal recipients to pay anything for services, although they do request and encourage voluntary contributions. It is my understanding, although some of my colleagues may be better able to address this issue than I, that most participants do make some contribution: however, I have been told that there are some seniors who refuse to contribute despite the fact that they appear able to pay at least something. The results of the NAMP survey seem to indicate that many federally-funded programs—and more important, the older persons who need their services—could benefit substantially by being given more flexibility to make decisions about how to handle and apply cost-sharing in their programs.

Before I proceed, let me emphasize one important point. There is a distinct difference between mandatory cost-sharing and mandated cost-sharing. Simply put,

mandatory cost-sharing would let local programs decide what level of payment, if any, is best for the populations they serve in their own communities. Mandated cost-sharing on the other hand, would mean that the federal government would direct federally-funded programs to charge a fee. I would caution Congress against considering mandated cost-sharing, something that I, my program, and NAMP would vigorously oppose. Such a federal policy could exclude many needy older persons from receiving essential nutrition services. It also would fundamentally change the nature of the senior nutrition program.

As we enter the next century, we can be certain that a growing number of individuals will need elderly nutrition services; and we can anticipate that, given the deficit and other issues, federal resources will not keep pace with that need. In that context, the elderly themselves should be considered a legitimate source of additional program funding. In no case, however, should participant contributions be used to supplant the current level of federal support or to reduce the national commitment to eradicating hunger and malnutrition among our elderly.

I made reference earlier to the benefits to programs and people that participant contributions can bring. For one thing, in my program they allow us to be more customer oriented and responsive. While waiting lists are common in programs through-out the country, and while we have them too, we do not experience them to the same extent as programs that must wait for funds to become available before they can expand. Once we determine that there is a customer base in a given area and have the volunteers to serve them, we simply open a new route.

While we believe that the many achievements, innovations and flexibilities of private programs can serve as models for Older Americans Act programs or other coordinated, age-related community-based service delivery systems now and in the future, let me reiterate this one point. We alone cannot meet the very real needs of the homebound elderly. If Older Americans Act Title III C dollars were cut or the federal commitment to elderly nutrition programs abridged, we could never compensate for that. Thousands of people would go without services and be forced into premature institutionalization at a tremendous cost to the Nation in both monetary and human terms.

Regrettably, for some this premature institutionalization is already reality. We see it most often in conjunction with individuals on waiting lists. Our program has waiting lists in areas where our existing routes are full. Spaces become available only when someone cancels services. When these openings do occur, we often find it is too late. Some fortunate individuals will have been able to exist temporarily on frozen foods and the like. But too often when we call to notify people of an opening, we find they have been hospitalized due to conditions caused or aggravated by malnutrition. Or the telephone lines have been disconnected because they have moved into nursing homes or died. This should not happen in our great country. We should have the resolve and the resources to ensure that it does not.

Meals on wheels, both private and government-funded programs, are the first defense against the downward spiral that poor nutrition inevitably brings to older persons. It is a success story told daily throughout this country by seniors and their families who, note the difference our program has made in their lives and those of their loved ones. Proper nutrition improves health and memory and disposition, they tell us. In short, it improves the quality of life for some of our most vulnerable citizens.

Our success to date, and our solution to meeting the increasing demands of the future, lie in the public-private partnership that since 1972 elderly nutrition programs have represented. Ours is indeed a joint venture, and our future success depends on strengthening our partnership and adapting our programs to meet the changing demands of a population destined to grow older, larger and frailer.

Again, thank you, Mr. Chairman, for the opportunity to participate in this important hearing. I commend you for your recognition of the importance of senior nutrition that is evident by your decision to make it the focus of your first hearing on the reauthorization of the Older Americans Act. I would be delighted to answer any questions that you may have.

Senator GREGG. Ms. Harris?

Ms. HARRIS. Thank you, Mr. Chairman. I too would like to request that my testimony in its entirety be included in the record. I am shortening it for this presentation.

Senator GREGG. It will be.

Ms. HARRIS. My name is Barbara Harris, and I am the associate director of Senior Citizens Services, Incorporated, of Forth Worth, TX.

I would like to thank you, Senator Gregg, for the leadership that you have shown both in your home State and here in Washington and to commend the committee for holding this hearing.

The elderly nutrition program is certainly central to any programmatic discussion about the future of social services in the United States. Senior Citizen Services is a nonprofit agency supported by the area agency on aging, the United Way, and groups and individuals in our county dedicated to helping older adults live out their lives with independence and dignity.

The services that we provide include nutrition, meals, senior center services, and other activities. We are not a home-delivered meal program. We are strictly a congregate meal providers.

In 1994 alone, we served 314,514 meals in our 24 senior centers. The countless hours and work that go into providing, preparing and serving these meals are what senior nutrition programs are also about. In 1994, in our program alone, 69,648 volunteer hours were contributed by hundreds of volunteers in order to make the provision of these nutritious meals possible.

On top of this, we received in-kind service from our community, our business sector and from individuals. The value of these in-kind services was $520,775.

When most people talk about elderly nutrition programs, they talk about Meals-on-Wheels, and well they should, because Meals-on-Wheels is a wonderful program. But we must never lose sight of the Title III-C(1) program, the congregate meal program. More older Americans are receiving congregate meals than those receiving home-delivered meal services.

While the trends have been shifting more in the direction of home-delivered meals because of the aging population and the lack of funding for senior centers and transportation, there are still more seniors receiving meals at congregate sites.

Which aspects of the elderly nutrition program are working? I can tell you without any hesitation that two of the most significant aspects of our program work, and work extraordinarily well, providing the environment in which older Americans can socialize and partake of a well-balanced, nutritious meal.

While the actual process of aging is not a cause of malnutrition, experts agree that the risk for malnutrition is high among specific groups of older Americans. Insufficient nutritional intake will ensure illness, disease, and eventual hospitalization.

Unlike so many of the ills that beset our society and are often talked about and debated, this is a set of circumstances for which we have a solution. The solution is called the elderly nutrition program.

But who are these older Americans who require congregate meals, and where do they live? They are our neighbors, our friends, our aunts and uncles and grandparents. They are our own parents, and we could be them in several years. They live in Fort Worth, TX; in Nashua, NH; in Baltimore, MD, and Chicago, IL. But they also live in Appleton City, MO and Cookville, TN. They live in big cities and small towns. And for far too long, they have lived in the shadows.

Nutrition studies and health studies have been undertaken at all levels of Government and in private sector surveys. It is well-

known, however, that older Americans have been seriously underrepresented in these surveys.

As you look to the future, you must remember that Federal funding that goes into the elderly nutrition program is not all that large. Now, I understand a statement like that could sound somewhat preposterous in light of the fact that we are talking about millions of dollars. However, it must be understood that for the cost of just 1 day's stay in a hospital, most senior nutrition programs could provide meals for an entire year for an older American.

We are grateful for the turn of events in the House that led to the exclusion of the elderly nutrition program from H.R. 4. These programs are not welfare programs; they were never intended to be and should never become such. They must not be means-tested.

As president-elect of the oldest and largest organization representing those who provide meal services to people in need, the National Association of Meal Programs, I can tell you that our association is willing to work with you as you explore such options as cost-sharing. We would endorse the notion of some form of cost-sharing that allows flexibility and community-based decisionmaking. We need more flexibility in our programs, and we need your help in getting there.

There has been much talk about block grants of late. I for one am not opposed to block grants if they can be used to bring more efficiency and effectiveness to our programs. If an aging services bock grant—basically, the Older Americans Act programs—were created, and if it meant less bureaucracy and therefore more efficient use of dollars in the provision of services at the local level, then we would be foolhardy to oppose such an idea.

Block grants do not have to be seen as dirty words, but they will be if they are proposed as something other than an aging services block grant.

The Older Americans Act has worked very well for a long time. With some fine-tuning and some input from those of us on the front lines, perhaps together we can fashion some sort of a locally-based program that would work well to help us bring the needed services successfully into the 21st century.

Michelangelo was 71 when he began to paint the Sistine Chapel. Greatness can happen at any age. But Michelangelo's masterpiece was created one stroke at a time. Let us begin the process of fine-tuning the Older Americans Act one stroke at a time, and let us begin the process together in order to ensure that the sum will have the backing and commitment of its parts.

Thank you for inviting me here today, and I would be happy to answer any questions you might have.

[The prepared statement of Ms. Harris follows:]

PREPARED STATEMENT OF BARBARA J. HARRIS

Thank you Mr. Chairman. My name is Barbara Harris and I am the associate director of Senior Citizen Services, Inc. of Fort Worth, TX. I would like to thank you, Senator Gregg for the leadership that you have shown with respect to senior issues throughout your career both here in Washington and in your home State of New Hampshire. This committee is to be commended, too, for holding these hearings as part of the reauthorization of the Older Americans Act. We believe that the Elderly Nutrition Program is central to any programmatic discussion about the future of social services in the United States. I wanted to briefly share with all of you what my agency is and how it operates.

Senior Citizen Services is a non-profit agency supported by the Area Agency on Aging, the United Way agency and the groups and individuals in our County dedicated to helping older adults live out their lives with independence and dignity. The services that we provide include nutritious meals, senior center services and activities, recruiting and training volunteers to serve as court-appointed guardians for vulnerable elderly, arranging for in-home services for senior adults recovering at home after an illness or hospitalization, and providing technical assistance to older persons who need help with their personal finances. With respect to nutrition programs, we are not a home-delivered meal program; we are strictly a congregate meal provider. In 1994, we served 314,514 meals in our 24 senior centers. The countless hours and work that go into providing, preparing, and serving these meals are what senior nutrition programs are also about. In 1994 in our program alone 69,648 volunteer hours were contributed by hundreds of volunteers in order to make the provision of these nutritious meals possible. On top of this, we receive in-kind services from our community, our business sector, and from individuals. The value of the in-kind services for 1994 was $520,775.

When most people talk about elderly nutrition programs, they talk about Meals on Wheels. And well they should because Meals on Wheels is a wonderful program. But, we must never lose sight of the Title III-C1 program—the congregate meal program. More older Americans are receiving congregate meal services than those receiving home-delivered services. While the trends have been shifting more in the direction of home-delivered meals, because of the aging of the population, there are still more seniors receiving their meals at congregate sites. It must be noted here that due to a lack of funding for senior centers and transportation services to enable senior citizens to participate in senior center programs many seniors are being forced into the home-delivered meal programs. It would be more cost-effective for the Elderly Nutrition Program to try to move seniors into the congregate program than to force people who do not have to remain at home to do so.

One of the questions that this hearing is trying to answer is which aspects of the Elderly Nutrition Program are working. I can tell you, without any hesitation, that two of the most significant aspects of our program work and work extraordinarily well—providing well balanced, nutritious meals and providing the environment in which older Americans can socialize. These are by no means frivolous activities.

At the very heart of any discussion about health care is the question of nutrition. And, while the actual process of aging is not a cause of malnutrition, experts agree that the risk for malnutrition is high among specific groups of older Americans. Those specific groups include seniors with limited resources to purchase food and those who are isolated. When an older person does not eat enough food, he or she is not provided with the energy and nutrients that their minds and body need in order to function. As a result they become malnourished. Insufficient nutritional intake will ensure illness, disease, and eventual hospitalization. The skyrocketing costs of health care among the elderly in this country for the most part can probably be directly attributable to improper, unbalanced diets and the lack of proper nutrients in the diets of these individuals.

Unlike so many of the ills that beset our society and are often talked about and debated, this is a set of circumstances for which we have a solution. The solution is called the Elderly Nutrition Program—congregate and home-delivered meals work. Unnecessary and costly institutionalization of the elderly can often be avoided by providing meals at and by our programs.

But who are these older Americans who require congregate meals and where do they live? They are our neighbors; they are our friends; they are our aunts and uncles and grandparents; they are our own parents; and, we could be they in several year's. They live in Fort Worth, TX, and in Nashua, NH, and Baltimore, MD, and Chicago, IL. But they also live in Appleton City, MO and Cookville, TN. They live in big cities and small towns and for far too long they have lived in the shadows. Nutrition studies and health studies have been undertaken at all levels of government and in private sector surveys. It is well known, however, that older Americans have been seriously underrepresented in these surveys.

The Wall Street Journal ran an excellent article on the problem of elderly nutrition in their November 8, 1994 edition. It said: "More than two decades after the creation of a federal law aimed at providing free meals to anyone over 60, several million older Americans are going hungry—and their numbers are growing steadily."

There are problems, but I am here today to say that there are also solutions, and with the help of the Congress of the United States we can look to the future and make these solutions even stronger and more effective.

As you look to the future, and I am pleased that we are being asked to be partners with you as you look to the future, you must remember that the Federal fund-

ing that goes into Elderly Nutrition Programs is not all that large. Now, I understand that a statement like that could sound somewhat preposterous in light of the fact that we are talking about millions of dollars. However, it must be understood that for the cost of just one day's stay in a hospital, most senior nutrition programs can provide meals for an entire year to an older American.

I understand congregate meal programs and I know that they work well and serve a vital role in all communities in which they function. I also know that they are not perfect. We are becoming more efficient in our operations, but need to become still more efficient. We are using Federal dollars to help feed those seniors who need help. But, we are also using the Federal dollars we have to leverage dollars on the local level, and, these local dollars are substantial. Do you know where more than 20 percent of the operating funds are coming from nationwide on the local level? From the seniors themselves. In my own program, nearly 14 percent of our funding comes from donations from our seniors. According to the Administration on Aging's 1993 figures, the Elderly Nutrition Program is almost a $1 billion program leveraged from only $430 million of AoA-administered Older Americans Act funds.

Our congregate program is a locally managed public-private partnership that works. But, it is a partnership that needs to remain a partnership. Those of us who work in the field of aging services are mindful of the fact that our programs are sometimes misunderstood, and are grateful for the turn of events in the House that led to the exclusion of Elderly Nutrition Programs from H.R. 4. These programs are not welfare programs. They were never intended to be and should never become such. They must not be means-tested. Should we consider ideas such as cost-sharing? Yes, that must be put on the table. As the President-Elect of the oldest and largest organization representing those who provide meal services to people in need, the National Association of Meal Programs, I can tell you that our Association is willing to work with you as you explore such options as cost-sharing. We would endorse the notion of some form of cost-sharing that allows flexibility and community-based decision-making. We need more flexibility in our programs; and we need your help in getting there. There has been much talk of block grants of late. I, for one, am not opposed to block grants if they can be used to bring more efficiency and effectiveness to our program. If an Aging Services Block Grant (basically the Older Americans Act programs) were created and if it meant less bureaucracy and, therefore, more efficient use of dollars for the provision of services at the local level, then we would be foolhardy to oppose such an idea. Block grants do not have to be seen as two dirty words, but they will be if they are proposed—something other than an aging services block. The Older Americans Act has worked very well for a very long time. With some line tuning and with some input from those of us on the "front lines", perhaps, together, we can fashion some sort of a locally-based program that would work well to help us bring the needed services successfully into the 21st Century.

A little while ago I mentioned that there were two aspects of congregate meals programs that were exceptional and unique. The second aspect is the socialization factor of congregate meal services. Seniors who are ambulatory but for one reason or another in need of meal services have an opportunity to go to a senior center or other meal site and talk to other older Americans and share a lifetime of stories and experiences. These seniors, by interacting with others, stay healthier and more productive. In fact, some of these very seniors become volunteers at our program. The senior center becomes a lifeline to many older Americans who may not have any other outlet for nutrition or socialization but at the center. We must continue this valuable service. Our senior citizens deserve nothing less.

Michelangelo was 71 when he began to paint the Sistine Chapel. Greatness can happen at any age. But Michelangelo's masterpiece was created one stroke at a time. Let us begin the process of fine tuning the Older Americans Act one stroke at a time. And, let us begin the process together in order to ensure that the sum will have the backing and commitment of its parts..

Thank you for inviting me here today and I would be pleased to answer any questions.

Senator GREGG. Thank you very much; I appreciate the testimony of all of you. It was very informative.

There are a couple of areas I would like to pursue for some further information on my part.

Ms. Perou-Hermans, you mentioned a number of ways that we could improve the system, and one of them was to do away with a category of meals. Now, as I understand the law presently—and I seem to recall we did this fairly regularly at the Governor and

Council table—you can transfer up to 30 percent out of one account to the other, and we traditionally took the full 30 percent and moved it over to Meals-on-Wheels. If we were to just merge the two, I take it you would be more comfortable?

Ms. PEROU-HERMANS. Yes. So that if you have a 30 percent congregate, and you are not doing it, I have had people double up meals and give them out because if they do not get the money, they cannot do the rest of it. So that it encourages poor practices, because people have to make this one work, and they have to make that one work, and that is not what is happening. You have to artificially——

Senator GREGG. So you think there should be just one fund for meals.

Ms. PEROU-HERMANS. For meals, yes.

Senator GREGG. And Ms. Harris, you are running just a congregate center.

Ms. HARRIS. That is correct.

Senator GREGG. Do you feel that that would disadvantage your center to have just one fund?

Ms. HARRIS. Well, I think if the local community had the opportunity to make a decision, I believe the correct decision would be made on a community-wide basis.

Now, that may mean that the congregate meal program might lose funding, but I think each community certainly is different. In some communities, the elderly have aged in place more than others, and there is a need for a larger home-delivered meal base. In our own community, we have similar to what Ms. Felcher mentioned. We have communities that have no services whatsoever, and people are waiting; they are waiting primarily for senior center services because they are alert and active enough to be at the city council meetings, demanding senior center services, but there is no funding to provide a facility, no church willing or able to provide the in-kind donation of a facility. I know we have eight identified communities in our county alone where a senior center and a congregate meal service would certainly be in order, but we have no funding to provide the meals and no funding to provide the other services that go along with a congregate site.

My fear is that in some cases, there would be a tendency to shift to home-delivered simply because in many cases, the home-delivered meal is at a lower unit cost, because you are delivering meals to the home with volunteers, and you do not have any of the costs associated with staff at the senior center and transportation and the other things that go along with a congregate program.

But certainly in my opinion the congregate program is the first line of defense and should always remain the first line of defense, because people who do get out of their homes and remain active in their communities are certainly happier and healthier for a much longer time.

Senator GREGG. I agree with that, and I think it is important. But the bottom line of what you are saying is that if you gave the local community the ability and the authority to make the decision, the odds are the local community would make the right decision, or would certainly make a better decision than one that was arbitrarily put on them by the Federal Government.

Ms. HARRIS. That is correct.

Ms. PEROU-HERMANS. One thing that is tricky, like I said, and having seen some of it in the 1980's, is that the idea is good, but sometimes the local level is not where things are happening—there are lots of other needs in the State, and they do say okay, they have a higher need, so we are going to take this money and give it to them—so that often, it is not the local level. And I do not quite know how—I think the State tries very hard, because no one wants to undo what good things are being done, but if there were a way in a block grant to put minimum funding levels and the idea that we are going to try to perpetuate what has been good—I do not know how you do it, but sometimes just passing it down one level, they have all kinds of problems, too.

Senator GREGG. Well, it would only be usable for these activities, which would be feeding senior citizens, and it would be, one presumes, up to the communities to come together through the State aging councils or county aging council or city aging council, depending on who——

Ms. PEROU-HERMANS. Except that usually, the funding comes down, and I do not know how you would factor in at that point to make sure that the local community is—I mean, the decisions come from Washington to Concord, and they often do not ask what would you like, and they wondered how you could put that in, because you are right, it could hurt people like that.

Senator GREGG. But I guess we cannot have it both ways—or, we cannot have it somewhat both ways—we have got to decide how we get you more flexibility, but we cannot give you more flexibility if we are going to tell you how to do it.

You made another point which I thought was interesting and which I would like to follow up on. You said that you could do a lot more with Meals-on-Wheels than just deliver meals, that you could deliver groceries and you could deliver drugs. To what extent are you not allowed to do that now? I mean, you could deliver groceries now; there is no regulation that keeps you from delivering groceries now, right?

Ms. PEROU-HERMANS. No.

Senator GREGG. There is no law. So you are not regulatorially restricted in that area.

Ms. PEROU-HERMANS. No.

Senator GREGG. It is just that you do not do it because you do not have the resources, and you have not interfaced with whomever the agency is that might want you to do it.

Ms. PEROU-HERMANS. Yes. I have seen the cities do that. A drugstore—I do not know whether they do it through Meals-on-Wheels, but they have take-out medicines, take-out groceries, and it is in the city's financial interest. And I would think in New Hampshire, where you have towns with no grocery store and no drugstore, I cannot imagine how people get the things they need.

Senator GREGG. But there is no regulatory bar.

Ms. PEROU-HERMANS. No.

Senator GREGG. So it is really a question of local folks figuring out how to do it.

This whole issue, which has been a theme of almost everyone who has spoken, of a fee, a low-level fee, which would then go to

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deliver more services, is one which I find difficult to conceptually put into specifics because, first, you do not want to means-test. I think everyone is in agreement that means-testing this program would be counterproductive and would tend to force people out of it and would certainly have a negative impact on the congregate meal sites. But do you have any specific ideas? There was the proposal made by Mr. Stupp that you just set it so low that it would be not an interference with anyone—like 50 cents, although obviously, you would not put a number in, but maybe 10 percent of what the meal costs, 5 percent, something like that. Do you have any specific ideas on a system that would give you flexibility as well, so you would not *have* to put it in; it would be up to whether or not you wanted to put it in, depending on the demands of the situation. Do you have any ideas as to how this base fee, which would be a flexible fee, would be applied or what would be a structure for it?

Ms. PEROU-HERMANS. Right now, it is mandated. You have to collect donations anonymously, by law. And I also mentioned before that there is a lot of historical pull if you always did it one way. But the idea is that in some places where income is not such an issue, I know I could get rid of the envelopes. Right now, I cannot do that.

Other places, like I said, we can ask the children, but by law we are not supposed to ask the children. So if you just said that we could collect donations—because a fee schedule can be tricky because you have to set up a fee, and you have to collect. So actually, if you called it a "fee," that could mean a lot of regulation; but if you called it a "donation," saying we are trying to protect people's integrity, and we are trying not to scare away people based on their ability to pay, I think that if I did not want to use the envelopes, I would not have to, just with that simple language. But right now, we have to do it one way, supposedly. I imagine across the country that does not happen, but if we could do it whatever way we thought were best, by law, which we cannot do right now, I think that alone would give us a lot of flexibility—and she could charge them; I could not use the donations; she might do both.

Senator GREGG. Ms. Clark is in a different position; she is not getting Title III money.

Ms. CLARK. Right, and we have some experience because we have the ability to charge a fee. What we start with is we try to keep that at an affordable base. Now, if it were 50 cents, we could not afford to do that. Our meal cost would run about $6 per meal, and we are charging $3.25. We raise the money to bring the level down to that $3.25 by United Way, our donation base, our volunteers who contribute in-kind services to us. So we are able to bring it down. I would like to see it even lower, but that is as low as I can bring it at this point. The Federal Government has more resources to perhaps be able to bring it down to a lower level.

Just to give you an example, in 1977, our meals cost $1.75; they now cost $3.25. Every time we have raised our fee, it has been agonizing, and we have agonized over it. But I will be honest with you—we have never lost one person when we have raised the fee. And I think the reason is that we put a value on that service, and our clients value it as well. When you just say "Give anything,"

there is a certain perception that maybe there is not as much value of this product. I mean, in our country, unfortunately, when you put a dollar on it, sometimes that increases the sense of value. But when we raised our prices, we did not lose any person.

Now, we do have for our low-income people—we do not just feed people who can afford to pay $3.25—we have two means-tested programs, the Medicaid waiver program, which is for the Medicaid recipient and pays for the meals, and the Indiana Choice program, which pays for the meals as well for very low-income people. And then we raise dollars to subsidize those persons who have incomes under $550 a month.

So we accommodate those kinds of things, but we do not do means-testing per se. If someone comes in with a problem, and they say they cannot afford $3.25, we try to establish how they have been buying their food, how they are getting their food right now. Oftentimes, when you review with them the costs that they are currently spending, and they start adding it up, they realize that they are spending heck of a lot of money on food that they did not even realize, and oftentimes the $3.25 becomes more of a bargain than anything else. But then you are going to have people who are just not going to fit into that category and need a lower level, a base rate that is much lower.

Senator GREGG. Ms. Harris, do you know how much your meals cost?

Ms. HARRIS. Our meals cost around $3.25 for the cash cost related to our meal program. I certainly believe that a set fee would work better in a Meals-on-Wheels type setting than in a congregate setting, because the caseworker or whomever goes into the home to establish service and to visit with the client certainly can work through the level of income, the level of support that that individual may have from family and friends and determine eligibility or the ability to pay a set fee and be able to follow up more closely if that person calls and cancels simply because they become unable to pay the fee that they agreed to.

In a congregate setting, I think it is difficult to set specific fees. It is not easy for the clients to give a quarter and show that they are poverty level, when the next person sitting beside them may be at the $1.25 or $2.50 level, based on a set fee schedule.

Senator GREGG. Do you have this donation issue that Ms. Perou-Hermans was talking about?

Ms. HARRIS. Well, in our program we have a suggested donation that we post on all of our materials in our senior centers; but of course, the meal is at a contribution basis, so the clients give what they can, and our center directors have a fee scale that they work with clients on an individual basis for.

But my interest in cost-sharing—and it may be more of a broad issue than just what happens at the senior center itself—our area agency on aging has taken the position that because we have Federal dollars, everything that our congregate meal program does is tainted by those Federal dollars. And we have some communities where the city might be willing to open the senior center, and we could provide the meals if we could recover perhaps some of the operating costs at $2 a person or $3 a person, and we are not able to do that because everything has to be on a contribution basis, and

we are not at a point where we can add more contribution-based services. But in our higher income, middle income areas, it is possible that we could go into a cost-sharing, a fee-for-service type operation and provide more services, not just meals, but all of the other things that go along with the senior center, if we could say the meal would cost "x" number of dollars, and it could be subsidized by the city, or it could be paid for entirely by the client. But the fact that the Federal dollars taint whatever we do out of our kitchen operation is a problem in some cases.

Senator GREGG. I think that I hear you saying is that if you were given flexibility to set a fee——

Ms. PEROU-HERMANS. Or just flexibility to collect the money as we see fit, protecting the client. I think that that word—I was thinking a lot about it because it is a tricky issue, and every time we have raised it, I have tried different ways—but I think that that would allow her to collect a fee, her to collect a fee, me to have donations or a fee. It gives you a lot of flexibility. And I think because we are short of money, we will do the most tactful thing we can to raise it. So I think it might be simple.

Senator GREGG. Well, I appreciate that. I am not sure that I yet see a way that you could structure it legislatively without creating some more extensive problems down the road. But it is something we should address because it is a theme that all of you talked about, and it appears to be a legitimate concern that we should address.

I want to thank all of you for coming and for your testimony. It has been very informative to me and very worthwhile. As we move forward in this effort to try to update the Older Americans Act, and especially the nutrition programs, if you have any other thoughts or ideas you want to put into the process, please get them to us.

Thank you for taking the time to come to Washington, I appreciate it.

That concludes the hearing.

[Whereupon, at 11:39 a.m., the subcommittee was adjourned.]

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